



BILLING CODE (3410-XY-U)

DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

Applications for Licensing as a Non-leveraged Rural
Business Investment Company under the Rural Business
Investment Program

AGENCY: Rural Business-Cooperative Service, U.S.

Department Agriculture (USDA).

ACTION: Notice.

SUMMARY: This Notice announces the acceptance of applications from newly-formed Rural Business Investment Companies (RBICs) who are interested in being licensed as non-leveraged RBICs under the Agency's Rural Business Investment Program (RBIP).

DATES: The Agency began accepting applications for non-leveraged status on August 6, 2012, and will accept applications for non-leveraged status on a continuous basis through July 29, 2016, or until such time the Agency determines otherwise.

Beginning fiscal year (FY) 2014, the Agency will limit its review during a fiscal year to those applications it

has received as of July 29 of that year. A fiscal year is October 1 to September 30. Any application received after July 29 will be held for consideration in the following fiscal year. Unless otherwise identified by the Agency, the Agency will not consider any application submitted in response to this Notice that it receives after July 29, 2016.

ADDRESSES: Address for Application Submission: Completed applications must be sent to Specialty Programs Division, U.S. Department of Agriculture, Room Number 4204-S, 1400 Independence Avenue, SW, Washington, DC 20250-3226.

Address for Requesting Information: Application materials and other information may be requested by writing to Claudette Fernandez, Director, Specialty Programs Division, U.S. Department of Agriculture, Room 4204-S, 1400 Independence Avenue, SW, Washington, DC 20250-3226.

FOR FURTHER INFORMATION: Detailed information on the RBIP, including application materials and instructions, can be found on the Agency's Web site at http://www.rurdev.usda.gov/BCP_RBIP.html. You also may request information from the Agency by contacting Claudette Fernandez, Director, Specialty Programs Division,

U.S. Department of Agriculture, Room 4204-S,
1400 Independence Avenue, SW, Washington, DC 20250-3226, at
(202) 720-1400.

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

The Paperwork Reduction Act of 1995 defines "collection of information" as a requirement for "answers to * * * identical reporting or recordkeeping requirements imposed on ten or more persons" (44 U.S.C. 3502(3)(A)). The collection requirement associated with this Notice is expected to receive less than ten respondents and therefore the Act does not apply.

Overview Information

Federal Agency Name. Rural Business-Cooperative Service.

Opportunity Title. Rural Business Investment Program for Non-leveraged RBICs.

Announcement Type. Subsequent announcement.

Catalog of Federal Domestic Assistance (CFDA) Number.
The CFDA number for the program impacted by this action is 10.860, Rural Business Investment Program.

Dates. The Agency began accepting applications for non-leveraged status on August 6, 2012, and will continue to accept applications for non-leveraged status through at least July 29, 2016, or until such time the Agency determines otherwise. Beginning fiscal year (FY) 2014, the Agency will limit its review during a fiscal year to those applications it has received as of July 29 of that year. A fiscal year is October 1 to September 30. Any application received after July 29 will be held for consideration in the following fiscal year.

Availability of Notice. This Notice is available on the USDA Rural Development Web site at:
http://www.rurdev.usda.gov/BCP_RBIP.html.

I. Opportunity Description

A. Background. The purpose of Subtitle H of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 2009cc et seq.) is to promote economic development and the creation of wealth and job opportunities in rural areas and among individuals living in those areas through venture capital investments by for-profit RBICs.

Prior to August 6, 2012, the Agency issued licenses to qualified RBICs as leveraged RBICs only. A notice published in the Federal Register on July 5, 2012, (77 FR

39675), informed the public that the Agency would begin accepting non-leveraged RBIC license applications on August 6, 2012. In the July 5, 2012, notice, the Agency indicated its intent to issue one non-leveraged license in FY 2012 and up to three licenses in FY 2013, depending on available resources.

The purpose of this current Notice is to notify interested RBICs that the Agency is still accepting applications from qualified RBICs for licensing as non-leveraged RBICs under the RBIP. The Agency will continue to accept such applications through July 29, 2016, or until such other time the Agency determines otherwise.

B. Program Authority. Subtitle H of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 2009cc et seq.) establishes the RBIP.

C. Definition of Terms. The terms defined in 7 CFR part 4290 are applicable to this Notice.

II. Licensing Information

A. Number of Licenses. The Agency intends to issue no more than five non-leveraged RBIC licenses through FY 2016, subject to sufficient resources. However, additional applications for licenses may be considered if sufficient

resources are made available.

B. Type of License. Non-leveraged.

III. Eligibility Information

Applicants and their applications are subject to the provisions of this Notice and to the provisions of 7 CFR part 4290. In order to be eligible for non-leveraged status under this Notice, the applicant must demonstrate that one or more Farm Credit System (FCS) institution(s) will invest in the RBIC and, individually or collectively, hold 10 percent or more the applicant's total capital.

IV. Application and Submission Information

A. Where to Obtain Applications. Applicants may obtain applications and other applicable application material from the Agency's Specialty Programs Division, as provided in the **ADDRESSES** section of this Notice. Because applications will be selected on a first-come, first-served basis, the Agency recommends that potential applicants who plan to request application materials via mail request such materials as soon as possible.

Application materials may also be obtained via http://www.rurdev.usda.gov/BCP_RBIP.html or by contacting the Agency at the address and phone number provided in the

ADDRESSES section of this Notice.

B. Prior to Preparing Application. The Agency recommends that those interested in applying for non-leveraged licensing contact the Agency at the address and phone number provided in the **ADDRESSES** section of this Notice to determine the status of the non-leveraged program in order to avoid unnecessary expenditure of resources by the applicant. As noted earlier in this Notice, the Agency intends to issue up to five non-leveraged licenses through FY 2016 and, due to limited resources, the Agency may not be able to review more than two applications in any 1 fiscal year.

C. Content and Form of Submission. Applications must be submitted in accordance with the application instructions contained in this Notice and in 7 CFR 4290. Applicants must submit complete initial applications in order to be considered. Applications must be submitted in hard copy form and on a USB flash drive; applications sent by facsimile will not be accepted.

Contents of the initial application include RD Form 4290-1, "Rural Business Investment Program (RBIP) Application," Part I, Management Assessment Questionnaire (MAQ), and RD Form 4290-2, "Rural Business Investment

Program (RBIP) Application," Part II, Exhibits (exhibits A, D, E, F, G, K, L, P, V, and Z).

Submit two complete, original hard copy sets of the RD Form 4290-1 and RD Form 4290-2 (excluding Exhibit P, which is required in electronic form only). Place each of the two original sets in a large 3-ring binder. Label the binders with the RBIC's name. Submit one complete and unbound one-sided hard copy of the MAQ and Exhibits suitable for photocopying (i.e., no hole punches, staples, paper clips, tabs, or binders).

Applicants must enclose in their submission a nonrefundable licensing fee of \$500 in the form of a check payable to USDA.

C. When to Submit. The Agency is accepting applications for non-leveraged status now through July 29, 2016, or until such time the Agency determines otherwise.

D. Where to Submit. The applicant must submit the application material to the Agency's Specialty Programs Division as specified in the **ADDRESSES** section of this Notice.

E. How to Submit. Applicants are encouraged to submit their applications via package/parcel service.

V. Program Provisions

This section of the Notice identifies the procedures the Agency will use to process and select applicants for licensing as a non-leveraged RBIC. More information about the RBIP is available in the regulation at 7 CFR part 4290.

The Agency will review each application it receives in response to this Notice with regard to eligibility and completeness. If the application is incomplete, the Agency will notify the applicant of the information that is missing. The applicant must then provide the missing information in order for the Agency to further review the application.

The Agency will select applicants for licensing as a non-leveraged RBIC on a first-come, first-served basis. The Agency will determine the order of applications based on the date the Agency receives a complete application. For example, if an application is received on July 1, but is incomplete, and the applicant supplies the Agency with the missing information on August 1, then that application will be considered for selection on the basis of the August 1 date – the date on which the application was complete. Therefore, the Agency encourages applicants to ensure their applications are complete prior to submitting them.

Only those applications that are eligible will be processed further for determining whether the applicant will be licensed as a non-leveraged RBIC. However, not all applications received in response to this Notice will receive this further processing. For each application that receives further processing, the Agency or its designee will focus its assessment of the application on the consistency of the newly formed RBIC's business plan with the goals of the RBIP program and on the applicant's management team's qualifications. Following this assessment, if the initial recommendation is favorable, the Agency or its designee will interview the applicant's management team.

Based on the assessment and interview, a preliminary determination will be made as to whether or not to select the applicant for non-leveraged status. If the preliminary determination is favorable, the Agency will send to the applicant a Letter of Conditions (also known as a "Green Light" letter) and the applicant will be invited to submit an updated RD Form 4290-1, Part I, Management Assessment Questionnaire, and RD Form 4290-2, Part II, Exhibits. Upon receipt of the Letter of Conditions, the applicant has 24

months to raise their private equity capital. Once a selected applicant has achieved full compliance with the regulations governing licensing as an RBIC, the Agency will issue the non-leveraged license to the RBIC.

VI. Administrative Information Applicable to this Notice

A. Notifications

(1) Eligibility. The Agency will notify the applicant in writing whether or not the application is determined to be eligible for participation in the RBIP. If an applicant is determined by the Agency to be ineligible, the Agency will provide the reason(s) the applicant was rejected. Such applicant will have review and appeal rights as specified in this Notice.

(2) License. Each applicant receiving a "Green Light" letter will be notified whether or not the RBIC will be licensed after the Agency's review of the updated RD Form 4290-1, Part I, Management Assessment Questionnaire, and RD Form 4290-2, Part II, Exhibits.

B. Administrative and National Policy Requirements

(1) Review or Appeal Rights. A person may seek a review of an adverse Agency decision under this Notice or appeal to the National Appeals Division in accordance with 7 CFR part 11.

(2) Notification of Unfavorable Decisions. If at any time prior to license approval it is decided that favorable action will not be taken, the Agency will notify the applicant in writing of the decision and of the reasons why issuing a non-leveraged license was not favorably considered. The notification will inform the applicant of its rights to an informal review, mediation, and appeal of the decision in accordance with 7 CFR part 11.

VII. Agency Contacts

For further information about this Notice or for assistance with the program requirements, please contact the Specialty Programs Division, Room 4204-S, 1400 Independence Avenue, SW, Washington, DC 20250-3226. Telephone: (202) 720-1400.

VIII. Nondiscrimination Statement

USDA prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income

is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

If you wish to file a Civil Rights programs complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF) found online at http://www.ascr.usda.gov/complain_filing_cust.html or at any USDA Office, or call (866) 632-9992 to request the form. You may also write a letter contain all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Ave SW., Washington, D.C. 20250-9410, by fax (202) 690-7442, or e-mail at program.intake@usda.gov.employer.

Individuals who are deaf, hard of hearing, or have speech disabilities and who wish to file either an EEO or program complaint, please contact USDA through the Federal

Replay Service at (800) 877-8339 or (800) 845-6136 (in Spanish).

Persons with disabilities who wish to file a program complaint, please see information above on how to contact us by mail directly or by e-mail. If you require alternative means of communication for program information (e.g., Braille, large print, audiotape, etc.), please contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

Dated: April 9, 2014.

Lillian E. Salerno,
Administrator,
Rural Business-Cooperative Service.

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